

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:2103
ANSWERED ON:08.03.2000
INVESTMENT IN SAIL
ASHOK NAMDEORAO MOHOL

Will the Minister of STEEL be pleased to state:

- (a) whether Dr. A. Bhattacharya Committee on restructuring of steel plant has submitted its report;
- (b) if so, the main recommendations of the report ;
- (c) the steps being taken by the Government to implement the recommendations;
- (d) whether SAIL has decided to invest additional investment to increase its market share; and
- (e) if so, the details thereof ?

Answer

MINISTER OF STATE FOR STEEL (SHRI DILIP RAY)

(a) to (c): Government is not aware of Dr. A. Bhattacharya Committee's Report on restructuring of steel plant. However, a committee headed by Dr.S.K.Bhattacharya, Director, RDCIS has made the following recommendations for making the Alloy Steels Plant, Durgapur viable.

MOU with 10-12 major customers who consume about 60% of billets, rounds and bars produced by ASP. Concept of key accounts managers can be introduced. Emphasis for increasing market share in eastern region from the present level of 24% Share in the other regions have to be maintained. Focus on high contributing products like billets, forgings, quenched & tempered plates. Concentrated efforts on fewer grades and products with larger quantity. Finding market of stainless steel slabs other than SSP.

Process improvement measures for controlling variable cost inter-alia by way of reduction in raw materials, power and fuel consumption, improvement in yield and quality, etc, have also been suggested. Some of them will be implemented by March, 2000 without any investment, with benefits accruing from 2000-01.

Addition/modification of some facilities which have been suggested, with a total investment of Rs.8.8 crore will be implemented within a maximum period of 15 months, and benefits should accrue latest by 2001-02.

(d) & (e): While SAIL has plans to increase its market share, the actual investment will depend on availability of resources consequent to its restructuring